

Media, PA – As the economy enters its second year of recession, Congressman Joe Sestak continues his efforts to work with local, state, regional, and federal experts to bring relief to the citizens and businesses of his district and the nation. Congressman Sestak today met with Ms. Nancy Keefer, incoming president of the Chester County Chamber of Business and Industry.

The Chamber was formally established in 1992 by a group of County business leaders that recognized the need for an organization committed to represent business interests of its members to elected officials. Nancy Keefer stands to replace outgoing Chamber president Robert Powelson, who had been a fixture with the chamber, serving as its leadership for 14 years.

"I am especially interested in helping our small businesses. They are the engine of our economy and we all benefit when they are efficient and successful" noted Congressman Sestak.

"Meetings such as these allow us to establish how the economic stimulus package is performing and what further actions can be taken to support local business. I am convinced there must be more oversight in this process to see that banks are getting funds to the businesses that need and deserve them. If small businesses cannot get loans and are forced to layoff employees, unemployment rises and, with less household income, the downward spiral of foreclosures and business failures continues."

In Washington, Congressman Sestak has been working with his colleagues to ensure the economic security of small businesses.

### TARP Reform and Accountability Act Benefits Small Businesses

Last week, the Congressman voted for H.R. 385, the Troubled Asset Relief Program (TARP) Reform and Accountability Act of 2009, which passed the House by a margin of 260-166. The legislation overhauls the TARP to strengthen accountability, increase transparency, close loopholes, and requires the Treasury Department to take significant steps on foreclosure mitigation.

For small businesses, the legislation directs the Treasury to quickly make funds available for

smaller community institutions, few of which have received funding to date. Depository institutions that have applied and are still waiting for action on their applications (C-corporations, privately-held institutions and community development financial institutions) or for which no funding terms have been issued (non-stock corporations, S-corporations, and mutually owned institutions) will not be penalized and may receive funding on terms comparable to institutions that received funds prior to this legislation.

Additionally, the bill exempts small business owners from the stringent executive compensation requirements that the bill applies to large companies, including prohibiting bonuses or incentives for employees, and prohibiting incentives that encourage risks.

### Economic Stimulus Should Provide Relief to Small Businesses

Since September, Congressman Sestak has also called for a Second Economic Stimulus Plan that would immediately inject approximately \$825 billion (approximately 5% of GDP) into the economy. The Congressman has suggested that it should provide around \$275 billion in tax cuts for individuals and small businesses, and \$550 billion in increased government spending, including unemployment benefits and food stamps, increased aid to state governments, significant infrastructure spending, and investments in healthcare and education programs.

Specifically for small businesses, Congressman Sestak has supported the following provisions in the stimulus plan:

#### Tax Relief

Reinstatement of the temporary bonus depreciation relief, which allows businesses to quickly recover the costs of capital expenditures made in 2009 by writing-off a portion of the cost of depreciable property acquired in that year. In subsequent years, businesses will continue to depreciate the remaining cost of depreciable property under the current law-depreciation schedule.

Allowing small businesses to write-off the cost of capital expenses in the year of acquisition in lieu of recovering these costs over a longer period of time through depreciation.

#### Creating Small Business Opportunity

*Small Business Credit:* \$430 million for new lending assistance and loan guarantee authorities

to make loans more attractive to lenders and free up capital. The number of loans guaranteed under the SBA's 7(a) business loan program was down 57% in the first quarter of this year compared to last.

*Economic Development Assistance:* \$250 million to address long-term economic distress in urban industrial cores and rural areas distributed based on need and ability to create jobs and attract private investment. EDA leverages \$10 in private investments for \$1 in federal funds.

*Industrial Technology Services:* \$100 million, including \$70 million for the Technology Innovation Program to accelerate research in potentially revolutionary technologies with high job growth potential, and \$30 million for the Manufacturing Extension Partnerships to help small and mid-size manufacturers compete globally by providing them with access to technology.

*Rural Business-Cooperative Service:* \$100 million for rural business grants and loans to guarantee \$2 billion in loans for rural businesses at a time of unprecedented demand due to the credit crunch. Private sector lenders are increasingly turning to this program to help businesses get access to capital.

Addressing issues of small businesses and retention in the region has always been a focus of Congressman Joe Sestak, who serves as Vice Chairman of the House Small Business Committee. His district had lost over 750 small businesses between 2001 and 2006, 22 percent of them in manufacturing, and manufacturing employment overall is down about 14 percent since 2001.

The Congressman has addressed this issue in number of ways, such as via the FY 2008 appropriations process when he procured \$187,000 for use by the Delaware County Chamber of Commerce Foundation the Community Partnership for Job Readiness Program. That program, administered by the Foundation of the Delaware County Chamber, will provide workforce development services in the municipalities of Trainer, Marcus Hook and Upper Darby. This project will coordinate technical training for residents, develop a community infrastructure to communicate those services, and prepare residents to meet the employment needs of area businesses and industries in the near future.

Further, the Congressman has successfully passed several pieces of legislation that support small businesses and their owners. He sponsored, and President Bush signed into law, an amendment was added to the Defense Authorization Bill and requires market research to be conducted by the Department of Defense on the ability of small businesses to do the work prior to awarding contracts of more than \$5 million dollars. Another one of his amendments addresses the fact that in our district, small businesses have historically received only 6.7 percent of federal contracts that come into the district, despite a federal goal of 23 percent. This legislation stops the government from unfairly "bundling" small contracts into "mega-contracts," a practice that makes it harder for small business to compete. Another piece of legislation provides grants and entrepreneurial tools for critical management and technical assistance to

small business owners. Still another provides trade assistance to small business to increase their exports.

*Born and raised in Delaware County, former 3-star Admiral Joe Sestak served in the Navy for 31 years and now serves as the Representative from the 7th District of Pennsylvania. He led a series of operational commands at sea, including Commander of an aircraft carrier battle group of 30 U.S. and allied ships with over 15,000 sailors and 100 aircraft that conducted operations in Afghanistan and Iraq. After 9/11, Joe was the first Director of "Deep Blue," the Navy's anti-terrorism unit that established strategic and operations policies for the "Global War on Terrorism." He served as President Clinton's Director for Defense Policy at the National Security Council in the White House, and holds a Ph.D. in Political Economy and Government from Harvard University. According to the office of the House Historian, Joe is the highest-ranking former military officer ever elected to the Congress.*

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